

AMENDMENT NUMBER 1 TO CONTRACT DIR-VPC-03-007
between
THE STATE OF TEXAS, ACTING BY AND THROUGH
THE DEPARTMENT OF INFORMATION RESOURCES
and
HEWLETT PACKARD

This Amendment Number 1 is hereby affixed to and shall become part of Contract Number DIR-VPC-03-007, dated October 28, 2002, ("Contract") between the State of Texas, acting by and through the Department of Information Resources (DIR) and Hewlett Packard (Manufacturer). This Amendment Number 1, as incorporated into the Contract, is subject to all terms, conditions, restrictions and limitations contained in the Contract not in conflict with this Amendment, including the limitation of liability provision. The Contract is hereby modified as follows:

1. Section 2N. is hereby restated as follows:

Annual Period – the calendar year of November 1st through October 31st.

2. Section 6D, **Responsibility of Reseller Performance and Reporting**, is hereby restated as follows:

Manufacturer shall be fully liable for Resellers' performance and compliance with all Contract terms and conditions herein. Manufacturer shall be responsible for reporting all products and services purchased through Resellers, in accordance with **Section 11, Reporting and Administrative Fees**.

3. Section 6E, Available Products and Services is hereby restated as follows:

Products and services ordered directly through Resellers shall be limited to products and services previously approved for inclusion under this Contract in **Appendix B, Pricing Index and Product Offerings**, and shall be subject to all terms and conditions of this Contract as a condition of Resellers' participation.

4. Section 6F, Manufacturer Pricing to Reseller is hereby restated as follows:

Manufacturer is required to offer the same pricing discounts to all participating Resellers for all products and services offered under this contract.

5. New Section 6G, Reseller Pricing to Customer is as follows:

Pricing discount to the Customer shall not be less than what is specified in Appendix B. Manufacturer and/or Reseller may offer higher discounts than what is specified in Appendix B.

6. Paragraph one of Section 7, Pricing hereby restated as follows:

If Manufacturer offers and makes sales of products and services at a higher rate of discount, based on a quantity of one, from that specified in this Contract, to an eligible DIR Customer, other entity or consortia authorized by Texas law to sell products and services available under this Contract to eligible DIR Customers, then the available discount levels in this Contract shall automatically be adjusted to that higher discount rate.

7. Section 7A, Customer Discount, is hereby restated as follows:

Based on a quantity of one (1), the Customer discount from the Reseller(s) for all products and services shall not be less than the percentage off Manufacturer's Suggested Retail Price (MSRP) as attached in Appendix B, Pricing Index and Product Offering. Customer may negotiate more advantageous pricing for large volume purchases with a participating Reseller. The Customer discount set forth herein shall adhere to Section 6 Paragraph F, Reseller Pricing to the Customer.

8. Paragraph two of Section 11C, DIR Administrative Fee, of the Contract is hereby restated as follows:

Manufacturer shall pay DIR, by the fifteenth (15th) day of the close of the previous calendar month, an administrative fee based on the dollar value of all sales pursuant to this Contract. Payment will be calculated for all sales, net of returns and credits. The DIR administrative fee shall be as follows:

1. The administrative fee for the period beginning October 28, 2002 through October 31, 2003, shall be .05%
2. For all further Annual Periods, the DIR administrative fee will be negotiated per Section 16, Annual Meetings.

The cumulative total administrative fee due under this Contract shall be paid to DIR per the following:

1. For the period of October 28, 2002 through August 31, 2003, the cumulative total administrative fee shall not be less than \$133,333.32.
2. For the period of September 1, 2003 through September 30, 2003, the administrative fee shall not be less than \$16,666.66.
3. For the period of October 1, 2003 through October 31, 2003, the administrative fee shall not be less than \$16,666.66.
4. For all further Annual Periods, the cumulative total paid to DIR shall be negotiated per Section 16, Annual Meetings.

9. New Section 15, Quarterly Review is as follows:

DIR and Manufacturer's Representative will meet on a quarterly basis to discuss sales and related activities. These meetings shall be held no later than 30 calendar days after the end of the preceding quarter.

10. New Section 16, Annual Meetings is as follows:

No later than October 15 of each Annual Period, DIR and Manufacturer will meet to establish the sales goals and DIR administrative fee for the annual period to begin the following November 1.

11. Paragraph one of Appendix A, Section 7, Technology Access Clause, as required by §2157.005, Texas Government Code, (Applicable to State Agency Purchases Only) is hereby restated as follows:

Manufacturer expressly acknowledges and agrees that State funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, the Manufacturer represents and warrants to DIR and each Customer purchasing products under this Contract that the technology provided hereunder is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology of: (i) providing equivalent access for effective use by both visual and non-visual means; (ii) presenting information, including prompts used for interactive communications, in formats intended for both visual and non-visual use; and (iii) being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For the purposes of this section, the phrase "equivalent access means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services that would constitute reasonable accommodations under the Americans with Disabilities Act or similar state or federal laws. Examples, of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical display and customizable display appearance.

12. Appendix A, Section 9, Records, is hereby modified as follows:

Section 9, Records, is hereby restated to Records and Audits and the following new paragraph is incorporated.

Reseller understands that acceptance of funds under this Contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Reseller further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Reseller will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Reseller and the requirement to cooperate is included in any subcontract it awards pertaining to this Contract. Reseller will reimburse the State of Texas for all costs associated with enforcing this provision.

13. Appendix A, Section 30, Handling of Written Complaints is hereby restated as follows:

In addition to other remedies contained in this Contract, a person contracting with DIR may direct their written complaints to the following office:

Public Information Office
Department of Information Resources
Attn: Public Information Officer
300 W. 15th Street, Suite 1300
Austin, TX 78701
(512) 475-4700, voice
(512) 475-4759, fax

14. Appendix B, Pricing Index and Product Offerings, is hereby modified to include the following discounts:

| | |
|-----------------------|--------------------|
| HP Ink Cartridges - | 28% off List Price |
| HP Toner Cartridges - | 40% off List Price |
| HP Misc. Supplies - | 35% off List Price |

All other terms and conditions of the Contract not specifically modified herein shall remain in full force and effect.

Effective Date of Amendment: _____

HEWLETT PACKARD

By: 

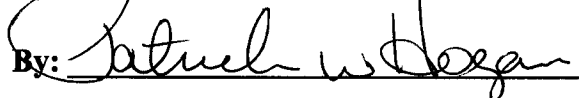
Name: RON SMITH

Title: MGR, PUBLIC SECTOR CONTRACTS.

Date: 9/5/03

STATE OF TEXAS

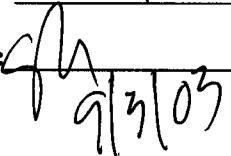
acting by and through the DEPARTMENT
OF INFORMATION RESOURCES

By: 

Name: Patrick W. Hogan

Title: Director of Business Operations

Date: 9-3-03

Legal: 
9/3/03